

AUG 15, 1953

# RAILWAY AGE

NEWS  
ISSUE

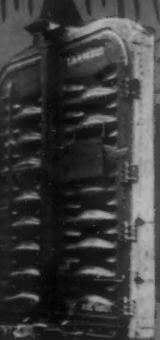
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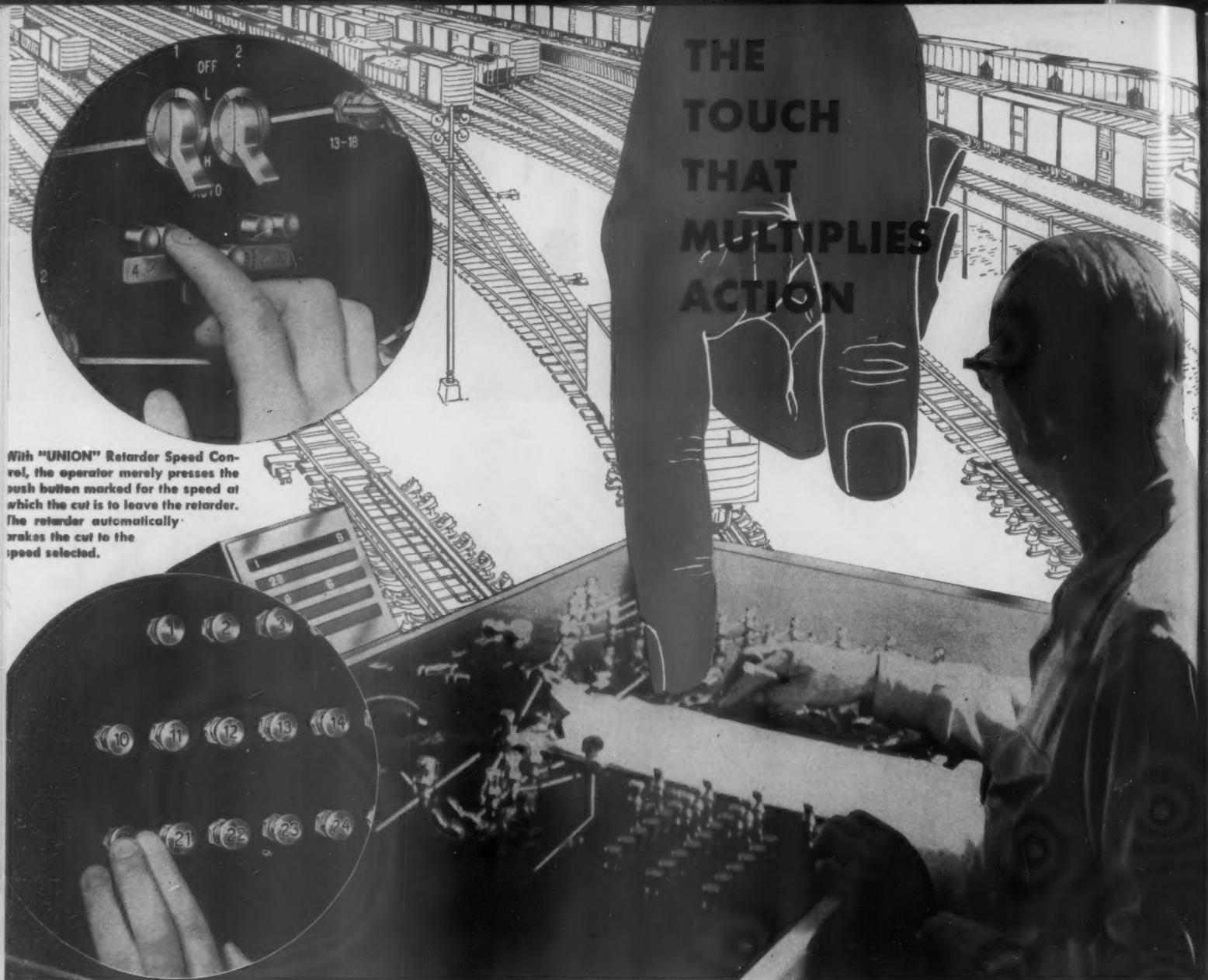


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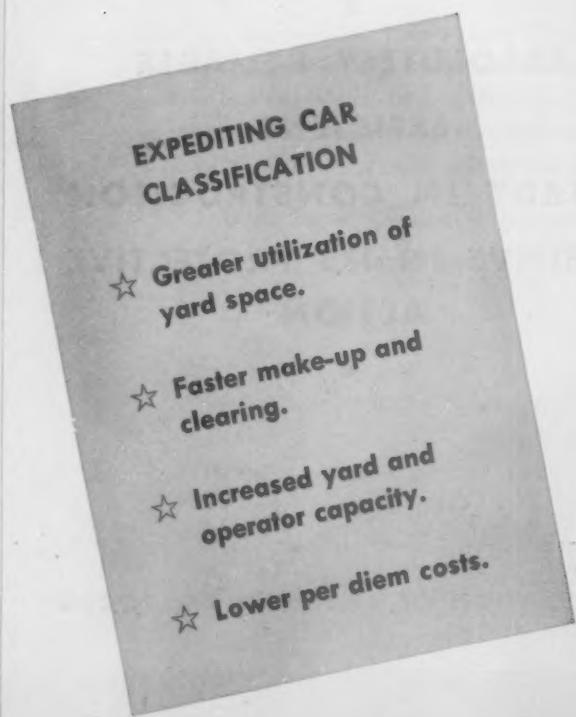
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# RAILWAY AGE

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August 31, 1953 NEWS ISSUE Vol. 135, No. 9

## Week at a Glance

Demand for box cars, particularly high-class cars, is still heavy, but the A.A.R.'s Car Service Division does not anticipate any "serious shortages." Car ownership, the division has also revealed, increased only slightly in the 12 months ended August 1, but serviceable ownership showed a larger gain. **9, 20**

A new route controlled interlocking, just installed by the Rock Island, was examined by some 63 railroad men at an open house demonstration August 24. **11**

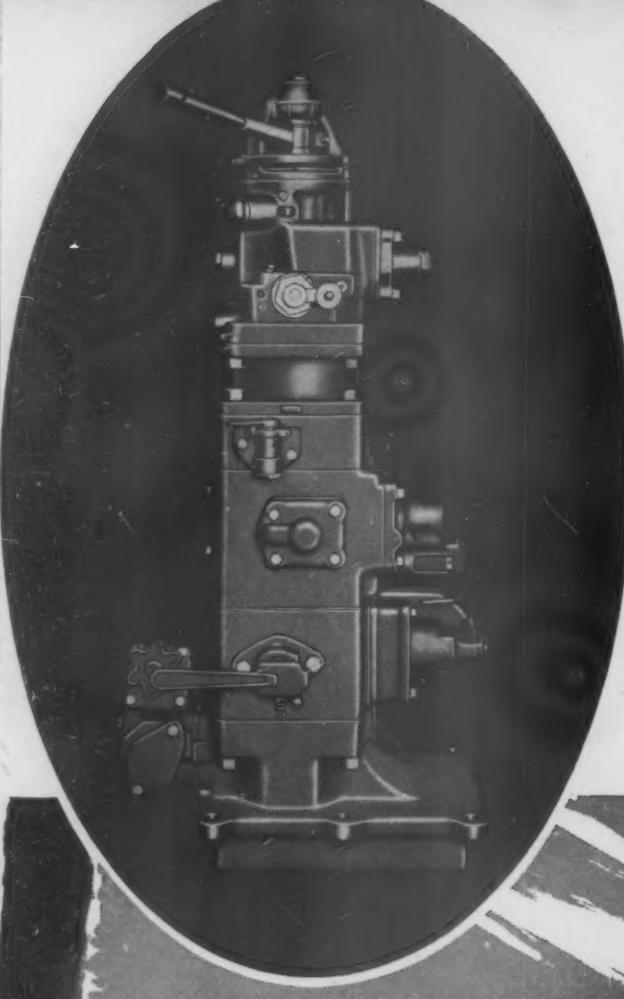
**FORUM:** Traditional "value of service" rates appear to be under attack from many sides; from Cuba, too, comes evidence that such rates cannot stand up when railways charging them are exposed to competition from agencies basing their charges on a "cost of service" basis. **17**

Greater safety, because of better observance of safety rules, may be achieved through such a simple and easily applied device as a standard color code. **18**

## BRIEFS

The September meeting of A.A.R. directors will be held in Pittsburgh on the 25th—instead of in Washington as is customary. The change in venue was prompted by the premiere showings, scheduled for this date at a Pittsburgh luncheon, of Westinghouse Air Brake's new movie on railroad progress, which has been planned for subsequent widespread public showing.

The new streamlined "Aztec Eagle" of the National of Mexico went into operation between Mexico City and Laredo, Tex., August 27. The train includes modern, lightweight equipment built in Switzerland, but with many component parts furnished by American firms. The Missouri Pacific has announced that its through



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COMPANY

AIR BRAKE DIVISION

WILMERDING, PA.



## Current Statistics

Operating revenues, six months	
1953	\$ 5,327,188,193
1952	5,120,547,684
Operating expenses, six months	
1953	\$ 4,022,851,781
1952	4,000,589,650
Taxes, six months	
1953	\$ 642,481,080
1952	591,867,018
Net railway operating income, six months	
1953	\$ 548,696,771
1952	442,563,173
Net income, estimated, six months	
1953	\$ 418,000,000
1952	310,000,000
Average price railroad stocks	
August 25, 1953	61.32
August 26, 1952	63.54
Car loadings revenue freight	
Thirty-three weeks, 1953	24,278,921
Thirty-three weeks, 1952	23,092,473
Average daily freight car surplus	
August 22, 1953	18,473
August 23, 1952	6,780
Average daily freight car shortage	
August 22, 1953	2,718
August 23, 1952	7,772
Freight cars delivered	
July 1953	6,370
July 1952	5,402
Freight cars on order	
August 1, 1953	47,423
August 1, 1952	95,265
Freight cars held for repairs	
August 1, 1953	96,917
August 1, 1952	111,680
Average number of railroad employees	
Mid-June, 1953	1,228,201
Mid-June, 1952	1,225,134

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## Departments

Traffic	9
Competitive Transport	10
Operations	10
People in the News	10
Rates & Fares	10
Safety	10
Law & Regulations	12
Figures of the Week	19
Organizations	19
Equipment & Supplies	20
New Facilities	21
Supply Trade	21
Financial	22
Railway Officers	23
Securities	23

Week at a Glance CONTINUED

St. Louis-Mexico City sleeper on MP train No. 25 will continue, but will be supplemented by a new connection between the "Texas Eagle" and the "Aztec Eagle," with a single transfer between modern lightweight sleepers at Laredo.

**Lord Hurecomb**, who has served as chairman of the British Transport Commission since its creation in 1947, retired August 31. "Perhaps his greatest contribution," says the Railway Gazette, "was in the control of shipping during the two great wars. Hard on that was his indefatigable work in the last 34 years upon the vexed problems of inland transport."

A **37½-cents-per-hour wage increase**, plus a liberalized vacation rule and "correction of inequities in pay rates," are apparently among the objectives to be sought by the Brotherhood of Railroad Trainmen when present wage contracts expire.

**New family fare plan** of the Union Pacific will become effective September 1. The I.C.C. last week refused to suspend the U.P. tariff which was protested by the Santa Fe. Latter's objection was to failure of tariff to exclude Christmas time from the period during which the reduced first-class fares will be available.

**Frank C. Squire**, railroad management's representative on the Railroad Retirement Board, was reappointed by President Eisenhower last week. The reappointment is for a five-year term which began August 31.

## ADVERTISERS IN THIS ISSUE

American Steel Foundries	8	Timken Roller Bearing Company, The	Back Cover
Agency—Erwin, Wasey and Company, Inc.		Agency—Batten, Barton, Durstine & Osborn, Inc.	
Budd Company, The	14, 15	Union Switch & Signal	4
Agency—Lewis & Gilman, Inc.		Agency—Batten, Barton, Durstine & Osborn, Inc.	
General Electric Company	24, 25	Westinghouse Air Brake Company	6
Agency—G. M. Basford Company		Agency—Batten, Barton, Durstine & Osborn, Inc.	
General Steel Castings	13	Youngstown Steel Door Company	Front Cover
Agency—Oakleigh R. French & Associates		Advertising Agency	
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## Box Car Demand Still High

But no "serious shortages" are anticipated, despite heavy movements of grain crops

Box car requirements continue heavy in all sections of the country, with some "minor shortages" of high-class cars, A. H. Gass, chairman of the Car Service Division of the Association of American Railroads, reported in the latest issue of "The National Transportation Situation."

Mr. Gass said peak movements of the spring wheat crop are currently under way. Simultaneously, railroads in the Northwest are being called upon to move 2,000 to 3,000 carloads of oats to drought areas in the Southwest. This dual movement places an added drain on box car supplies, Mr. Gass said.

### Special Order 88

Even so, it is felt the heavy movements can be handled without serious car shortages, Mr. Gass continued. He said Special Car Order 88, which works to return box cars to seven Northwest roads, has been a big factor in preparing for the grain harvest.

Estimates by the Department of Agriculture indicate this year's spring wheat crop will be 36 per cent greater than

in 1952, the soybean crop will be 34 per cent above "average," and corn production will be "about the same as last year," Mr. Gass noted.

Commenting on the open-top car situation, Mr. Gass said the hopper supply "has been comfortable." Increased gondola loadings, meanwhile, reflect full employment in the steel industry, which was closed down last year by labor troubles.

### Plain Flats

Plain flats in the first half of 1953 were a "major problem," Mr. Gass continued. But he said this trouble "has largely cleared up" since August 1, due in part to production cutbacks in flat car using industries.

Special-type flat cars are still in short supply, however, and demand continues to absorb all available cars in this category, Mr. Gass said. As to covered hoppers, he said the supply has been "reasonably satisfactory."

Detention reports from railroad agents indicated that cars detained beyond free time of 48 hours averaged 18.19 per cent of those placed in July,

compared with 17.24 per cent in June, and with 23.01 per cent in July of last year.

### 1953's 1st Quarter Loading Estimate Was 8.4% High

The 13 regional Shippers Advisory Boards overestimated car loadings for the first quarter of 1953 by 8.4 per cent, according to the latest comparison of forecasts with loadings made by Arthur H. Gass, chairman of the Car Service Division of the Association of American Railroads.

Mr. Gass said 11 of the 13 boards overestimated first quarter loadings. The range was from a 21.3 per cent overestimate by the Ohio Valley board, to 3.7 per cent by the Trans-Missouri-Kansas board.

Underestimates were made by the Pacific Coast and Pacific Northwest boards. The former was low by 1.2 per cent, and the latter by 6.5 per cent.

There were overestimates in 21 of the 32 commodity groups. These ranged from 18.7 per cent for coal and coke to 1.2 per cent for flour, meal and other mill products and for paper, paper board and prepared roofing.

Underestimates in 11 commodity groups ranged from 95 per cent for hay, straw and alfalfa, to 0.4 per cent for frozen foods, fruits and vegetables.

### Agriculture Dept. Study Sees Tight Car Supply

A tight box car situation with periodic shortages, particularly of the better class of equipment required for grain and grain products, "will probably continue over the next several years."

This is a prediction contained in a Department of Agriculture study entitled "A Study of Conditions Affecting the Transportation of Grain by Railroad." The study was prepared by William J. Hudson, transportation economist with the Marketing and Facilities Research Branch, Production and Marketing Administration.

Heavier loading of cars has partially relieved tight box car situations in the past, Mr. Hudson said, but he added that "this expedient is limited," and he suggested that railroads in the future must reduce turnaround time and increase operating efficiency.

Mr. Hudson noted that grain and mill products produce about 6.5 per cent of total railroad carloadings. He said competing forms of transportation have made inroads on the grain traffic, but increased demands on the railroads from other sources "will keep the demand for box cars high."



"PIGGY-BACK" TEST operation of the Chicago & North Western for handling railroad I.C.I. between Chicago and Green Bay, Wis., has, according to unofficial reports, generated considerable enthusiasm in C&NW circles. Here, prior to the first day of operation, North Western operating

men check details of the tie-down equipment at Green Bay. A spokesman for the road indicated that the end-loading method would probably be dropped in favor of side-loading if the volume of traffic handled grows to any extent. "Meanwhile," he said, "we are gathering 'knowhow'."

## Rates & Fares

### Military Sets Up Public File On Section 22 Rates

A public file containing rates tendered under Section 22 of the Interstate Commerce Act has been established by the Army's Transportation Corps.

The file was set up "for the convenience of commercial transportation representatives." In addition to Section 22 rates, it will contain rates tendered under "other appropriate sections of the I.C. Act, and corresponding provisions in the laws of the states."

At present, the file will be kept at the Office of the Chief of Transportation, Washington, D.C. If demand warrants, similar files will be set up at the four Transportation Corps zone offices—Pittsburgh, Memphis, St. Louis, and Salt Lake City.

The T.C. said it was hoped the new file would reduce the number of requests for rate information, and work to the mutual benefit of the Department of the Army and the transportation industry.

### Kentucky Coal Rates

Responding to a petition filed by railroads operating in that state, the Interstate Commerce Commission has instituted an investigation of Kentucky's intrastate rates on coal.

The Kentucky Railroad Commission has refused to approve addition of the Ex Parte 175 increases to the rates involved, and the I.C.C. inquiry is to determine whether this has resulted in unjust discrimination against interstate commerce. The investigation is docketed as No. 31322.

## Safety

### Roads Handled Explosives Without Mishap in 1952

Railroads of the United States and Canada in 1952 moved a new high record of commercial explosives, as well as great quantities of military explosives, with no death or injury due to rail transportation, according to the annual report of the Bureau for the Safe Transportation of Explosives and Other Dangerous Articles of the Association of American Railroads.

The accident-free showing for 1952 brings to 31 the number of consecutive years in which there has been no death or injury due to rail transportation in the movement of explosives.

The bureau's report said consumption of commercial explosives in the United States and Canada in 1952 amounted to 844 million pounds. This

compared with a consumption of slightly more than 827 million pounds in 1951.

Railroads also moved without fatality in 1952 "great quantities of fireworks and other explosives," as well as hundreds of "dangerous articles other than explosives," the A.A.R. bureau reported. The "dangerous articles," i.e., those so classified by the Interstate Commerce Commission, include flammable liquids, acids, compressed gases, radioactive materials, and poisonous liquids and solids.

There were 440 accidents involving these "dangerous articles other than explosives," but no persons were killed. Seventeen persons were injured, and property losses amounted to \$747,837, the bureau said.

would move via the NC&StL, and the two roads would no longer offer separate service. This would take advantage of the shorter line of the NC&StL, and would bring about heavier loading of that road's merchandise cars. The L&N would continue to solicit l.c.l. traffic.

The roads told the I.C.C. this plan would enable them to provide better and faster service, and at the same time result in more economical operation.

## Competitive Transport

### Two Largest Air Freight Carriers to Merge

Stockholders of the Flying Tiger Line and of Slick Airways, Inc., have approved terms of a merger of their two companies in which the Flying Tiger Line will be the surviving company. The Civil Aeronautics Board has conducted hearings on the proposed merger but has not yet taken final action. Both lines have headquarters at Burbank, Cal.

Slick Airways was incorporated in January 1946. It presently operates air freight service to some 52 cities along routes extending from California to Maine and from Texas to Michigan. It owns nine freight aircraft and leases 17 others from the U. S. Air Force. In 1951 (the last year for which figures have been published) the company handled 67,890,612 revenue ton-miles of freight.

The Flying Tiger Line was incorporated in June 1945 as the National Skyway Freight Corporation. The present name was adopted in 1947. The company operates 10 to 12 flights daily between Los Angeles, San Francisco, New York and 16 intermediate points. It owns 34 airplanes and has seven more on order. It also owns a 6,000-sq. ft. warehouse and six pick up and delivery trucks in San Francisco. In the year ending June 30, 1951, the company handled 28,125,047 ton-miles of freight.

### Commerce Dept. Issues User Charge Study

The present Administration's Commerce Department has made public, with a disavowal, a study which its predecessor made of proposals to impose charges for use of federally provided transportation facilities.

With much hedging as to specific application, the study recommended adoption of "a general policy of user charges applicable to transportation services and facilities which are of special benefit to identifiable users."

The disavowal said: "This report has not been adopted or approved by the Department of Commerce, and is released for information purposes. It



Harris & Ewing

**E. F. HAMM, JR.**, who took office August 26 as the first managing director of the Interstate Commerce Commission. Mr. Hamm was sworn in at ceremonies in which Chairman Johnson revealed the new director "is prepared to stay here two years." Mr. Johnson said also that Dr. G. Lloyd Wilson, chairman, Transportation and Public Utilities Department, University of Pennsylvania, will become a consultant to the I.C.C. in the over-all job of reorganizing the agency.

## Operations

### Two Roads Want to Pool Nashville-Memphis L.C.L.

The Louisville & Nashville and the Nashville, Chattanooga & St. Louis have asked the Interstate Commerce Commission to approve a plan for "pooling" their l.c.l. traffic and service between Nashville, Tenn., and Memphis.

L.c.l. traffic between the two cities

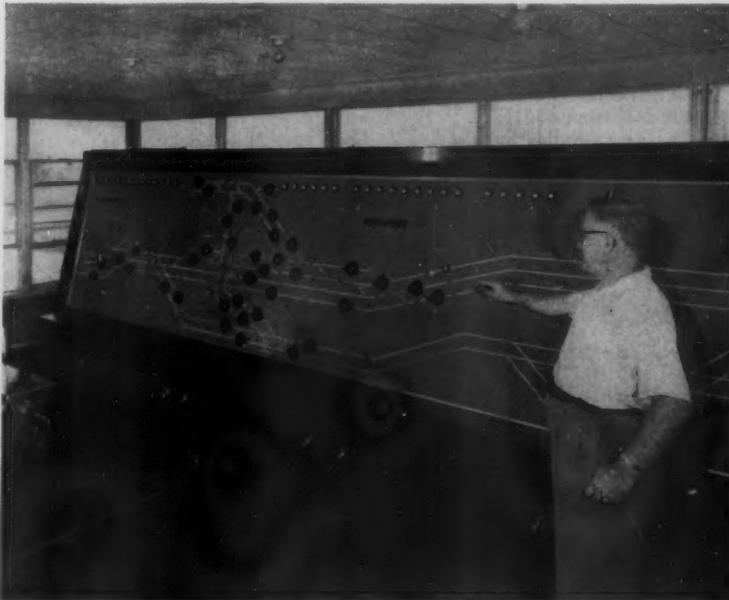
was prepared in the former Office of Transportation and substantially completed in 1952.

The report is a document of 184 mimeographed pages, double spaced. Their survey of the "present situation"

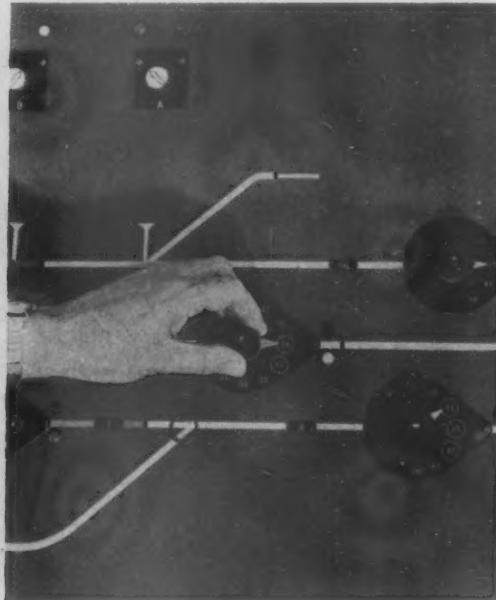
as to subsidies led the authors to the conclusion that "in all fields of transportation, except perhaps that of the petroleum pipeline, the federal government is providing facilities, services, or grants-in-aid for the furtherance

of transportation and commerce."

The railroads are regarded as subsidized to the extent that they engage "incidentally" in other forms of transportation, such as marine operations in harbors and substituted truck and bus



**TO SET UP A ROUTE**, the leverman turns the signal knob so the pointer is over the number for the exit, and then he pushes the knob; this controls the switches and clears the signal.



**ON THE CONTROL PANEL**, each track is represented by a white line; each switch by a line-of-light indicator; each signal by a knob.

### **Rock Island Holds . . .**

## **OPEN HOUSE AT NEW ROUTE INTERLOCKING**

Signal engineers, or their representatives, from 22 railroads, the Association of American Railroads, and the Interstate Commerce Commission, as well as other guests, totaling 63 men, attended the August 24 open house inspection of the Rock Island's new route control interlocking at Gresham Junction, in Chicago, 10 miles from La Salle Street station.

### **Sequence Switch**

The new feature of this plant is its use of the International Telephone & Telegraph Corp.'s sequence switch interlocking system, including a new type of control panel. On this panel, each track is represented by a white line; each switch is indicated by a "line of light," and each signal is represented by a black knob which can be rotated and pushed. To set up a complete route, the "leverman" rotates the signal knob so its pointer is over the number representing the exit from home signal limits; then he pushes the knob.

This causes the switches to operate to the positions called for in the route, and then the signal clears.

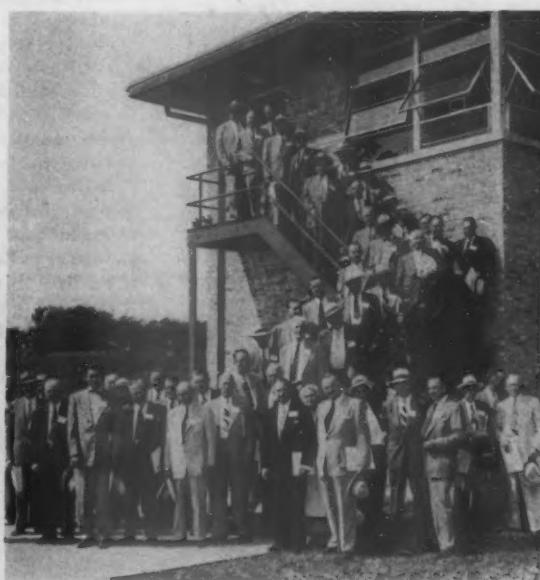
This Gresham interlocking includes important junctions and a railroad crossing, involving 13 single switches,

nine crossovers, three movable-point frogs, 14 derails and 41 home signals. Rock Island traffic includes 20 through passenger trains, 94 suburban trains, and numerous switching moves, in addition to 10 Baltimore & Ohio and seven Chesapeake & Ohio passenger

trains totaling, about 150 moves daily.

Further details of the construction and operation of this interlocking were given in a feature article in the August issue of *Railway Age's* associated monthly publication, *Railway Signaling and Communications* (page 560).

**OPEN HOUSE INSPECTION** of the Rock Island's new Gresham interlocking on August 24 was attended by signal engineers or their representatives from 22 railroads, the A.A.R. and the I.C.C., as well as other guests, totaling 63 men.





**"HIGH CLASS FREIGHT"** disregards a few safety rules to demonstrate ease of handling, maneuverability and other features of new Buda lift truck models. The girls are part of the Buda Company's "Magic Show" which is now on tour of the country after a premier performance in Chicago before some 300 transportation and industrial materials handling officers. The company reports, however, that its service men and distributor representatives have replaced the girls for "simplified" road show performances.

services. Also mentioned is the inspection of railroad locomotives and safety appliances by the Interstate Commerce Commission "without charge."

General weather forecasts, warnings, and specialized shippers' temperature forecast are used by rail carriers and shippers in planning operations," the report also said.

It also found that railroad rights-of-way "are often protected by flood control measures which include Weather Bureau flood warnings and rain forecasts." As to federal expenditures for grade-crossing work, the report said there was "considerable dispute as to whether the motor vehicles or the rail carriers are the real beneficiaries."

## Law & Regulation

### C.A.B. Brings REA Into Air-Forwarder Inquiry

Air express operations of the Railway Express Agency have been brought into the Civil Aeronautics Board's current investigation of "indirect air carriage of property."

The investigation, docketed as No. 5947, was instituted last February. It was designed to cover operations of air freight forwarders generally, but REA was excluded. The exclusion was rescinded by a C.A.B. order dated August 6.

This action was taken because C.A.B. found, "upon reconsideration" that the exclusion "was inconsistent with both the general purpose of this proceeding and the determination of several specific issues raised by our order of investigation." The board also has said:

"We wish to make it clear that the inclusion of REA should neither interfere with nor impede current negotiations between REA and the direct air carriers for the filing of the revised air express agreement which we directed . . . Likewise, our inclusion of REA . . . is not to be taken as an indication that we may not continue the present exemption under section 1(12) of the act authorizing REA to engage as an indirect carrier in the transportation of property by air."

### False-Statement Charges Against B&O Dismissed

Judge R. B. Keech of the United States District Court for the District of Columbia has dismissed the indictment which the Department of Justice obtained against the Baltimore & Ohio last December on the basis of charges that the road had filed false reports with the Interstate Commerce Commission and Reconstruction Finance Corporation.

The judge ruled that the time allowed for prosecution under applicable statutes of limitations had expired with

respect to the charges involved. When the indictment was announced, B&O President R. B. White said: "No statements were filed by the B&O with the I.C.C. or R.F.C. which misled anyone." (*Railway Age*, January 1, page 14.)

### Defense Transportation Committee Reestablished

The Office of Defense Mobilization has reestablished its Committee on Defense Transportation and Storage.

The reestablishment was effected when O.D.M. Director A.S. Fleming issued an August 19 order which reinstated, in revised form, Defense Mobilization Order No. 7, originally issued March 13, 1951, to set up the former transport and storage committee.

Chairman of the new committee will be the under secretary of commerce for transportation, Robert B. Murray, Jr. Other members will include representatives of the Defense Transport Administration; departments of State, Treasury, Defense, Interior and Agriculture; Foreign Operations Administration; and such others as the director of the Office of Defense Mobilization may appoint.

Function of the committee will be to advise the O.D.M. director "on problems relating to transportation and storage which come within his jurisdiction."

### C&O PASSENGER TRAFFIC MEN USE THE COMPETITION

Reports of Chesapeake & Ohio passenger traffic salespeople who traveled to the annual meeting of the road's passenger and public relations department by competing means of transportation (*Railway Age*, August 24, page 9), were so informative that passenger salespeople and other department officers will be given two weeks a year, in addition to regular vacations, to take similar trips.

"Next year we will have a wealth of material available for our annual meeting which no other railroad in the country will have," Thomas J. Deegan, Jr., vice-president, passenger traffic and public relations, said. "Air line and bus lines are doing a wonderful job of attracting travelers and many railroad men have failed to realize this."

C&O employees who used airlines to reach the meeting at Old Point Comfort, Va., found, on the plus side, there was no waiting in ticket lines; that telephone reservation clerks were courteous; that personnel on planes was excellent, and that baggage handling from starting points was good. On the other hand, they found poor handling of baggage at arrival points; that transfer and

waiting time before departure and between stops occasionally took more time than actual flight time; and that additional costs, such as taxi and limousine service, and extra charges for overweight baggage, increased total trip costs by as much as one-third of the original ticket cost. Reconfirming reservations, especially at transfer points, was confusing, they found.

Those who traveled by bus rated bus drivers tops in courtesy and service as well as skill. They reported, however, that buses did not maintain too good on-time performance; that condition of terminals was poor; that there was frequent crowding and delays in boarding buses because of lack of reservations, and that long trips were tiring. Poor information service at ticket windows was another complaint.

The auto group reported increasing costs because of toll roads, and that driving hazards were "alarming." One hitchhiker to the C&O meeting reported dependability "poor," mainly because of "delays at terminal points," luggage handling poor, personnel varied, safety questionable—but a total cost of only 55 cents for the 225-mile trip from Washington.



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(*Railway Age*, January 1, page

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## COMPETITION

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who traveled by bus rated bus drivers tops in courtesy and skill. They reported, however, that buses did not maintain on-time performance; that condition of terminals was poor; that frequent crowding and difficulty in boarding buses because of long lines of passengers, and that long waits for buses were tiring. Poor information at ticket windows was another

group reported increasing use of toll roads, and that tolls were "alarming." One to the C&O meeting recommended "poor," mainly because of "delays at terminal points," handling poor, personnel safety questionable—but a fare of only 55 cents for the trip from Washington.

# An Important Achievement for Passenger Cars

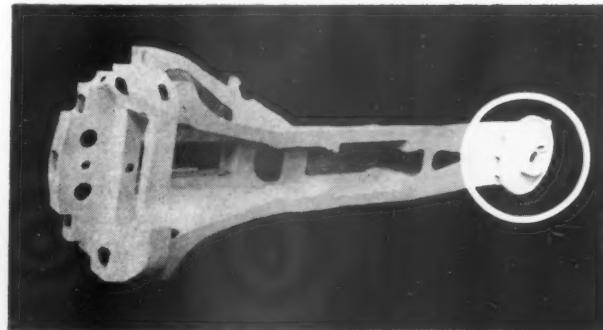
## THE CENTRAL BEARING

### Provides Better Riding— Cuts Maintenance Costs

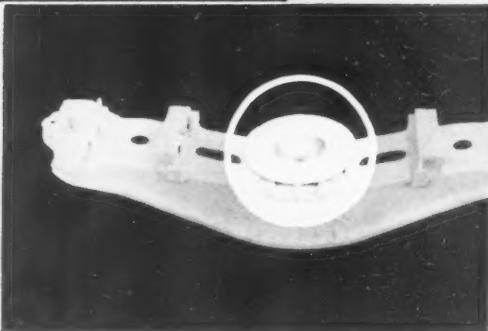
The latest in the long list of General Steel Castings' engineering achievements is the Central Bearing—a new type center plate arrangement for new or existing passenger train cars, which combines the functions of the center plate and side bearings.

This new Central Bearing eliminates shimmy (the result of truck hunting), greatly improves riding qualities and increases wheel mileage between turnings. Side bearings are not required, thereby eliminating their original expense and the necessity for their maintenance and clearance adjustment. The Central Bearing requires no lubrication.

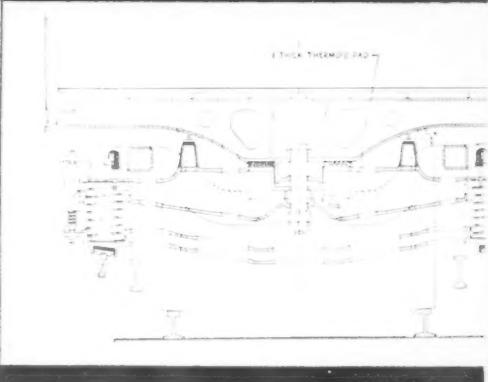
Applicable to new cars or to improve existing cars, the Central Bearing assures a substantial saving in maintenance and a better riding car.



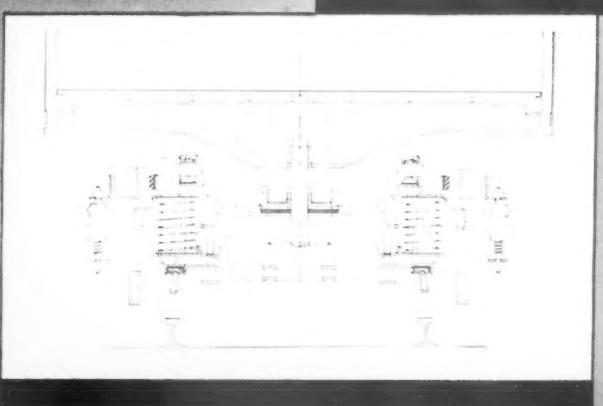
Body Central Bear  
Shown on Undersi  
of Cast Steel Plat  
Center Sill.



Truck Central Bearing  
Applied to Cast Steel  
4-Wheel Passenger  
Truck Bolster.



Sectional Drawing  
Through Bolsters  
Showing Arrangement  
of 24" diameter  
Central Bearing.



Sectional Drawin  
Through Bolsters  
Showing Design of  
15" diameter  
Center Plate.



**GENERAL STEEL CASTINGS**  
GRANITE CITY, ILL.

EDDYSTONE, PA.





**BALTIMORE AND OHIO**

**ORDERS**

**11 BUDD SLEEPERS**

- They are "all-room" cars, containing four double bedrooms and sixteen duplex roomettes.

The cars will be equipped with Budd railway passenger car disc brakes.

Naturally they are scheduled for assignment to The Capitol Limited, The National Limited and The Diplomat.

The Budd Company  
Philadelphia 15.

**BUD**  
**BUD**

PIONEERS IN BETTER TRANSPORTATION

## FOR THE TRANSPORTATION DEPARTMENT

## Questions

## QUESTION:

An order-notify shipment arrived 6 p.m. Monday. Tuesday at 8 a.m. agent sent arrival notice to consignee. Order-bill-of-lading was surrendered 9 a.m. Tuesday. Next available switch was 6 p.m. Tuesday, when car was spotted for unloading. How should demurrage time be computed?

## QUESTION:

In this column in the July 6 issue, there appeared a "quiz" on Car Service Rules of the Association of American Railroads. The question assumed loading of cars at Newark, N. J., on the Pennsylvania. Readers were asked to indicate whether or not the loadings made were correct under Car Service Rules. The correct answers are printed in the adjoining column.

## and Answers

## ANSWER:

Demurrage Rule No. 3, Section B, provides that, on cars requiring surrender of bill of lading (whether or not such cars have been placed for unloading), time will be computed from the first 7 a.m. after notice of arrival is sent or given to the consignee or party entitled to receive same. In the instant case, therefore, time would be computed from 7 a.m. Wednesday.—COMMITTEE ON DEMURRAGE, EASTERN ASSOCIATION OF CAR SERVICE OFFICERS.

## ANSWER:

Intl.	Destination	Route	Correct, Rule	Violation of Rule
M&SL	Pueblo, Colo.	PRR-MP	2	
B&O	Terre Haute, Ind.	PRR	2	
ATSF	Great Falls, Mont.	PRR-MILW	2	
GN	Albuquerque, N.M.	PRR-ATSF	3	
PRR	Bush Term., Brooklyn, N.Y.	PRR-BUSH	X	
G&F	Little Rock, Ark.	PRR-RI	3	
SAL	Miami, Fla.	PRR-RF&P-ACL	2	
CGW	New Orleans, La.	PRR-JC	2	
ATSF	Seattle, Wash.	PRR-MILW	2	
ACL	Atlanta, Ga.	PRR-SOU	2	
GN	San Diego, Cal.	PRR-ATSF	3	
DL&W	Erie, Pa.	PRR	2	
RDG	Lewistown, Pa.	PRR	2	
GTW	Madison, Wis.	PRR-CNW	2	
NYC	Corning, N.Y.	PRR-Elmira-DLW	2	
IC	Chicago, Ill.	PRR-ATSF dlv.	2	
CNW	Albuquerque, N.M.	PRR-ATSF	2	
LV	Elmira, N.Y.	PRR-Erie dlv.	J2*	
CGW	Denver, Colo.	PRR-RI	2	
CNW	Elkhart, Ind.	PRR-NYC	2	

\*Junction Rule 2.

CONDUCTED BY G. C. RANDALL, district manager, Car Service Division (ret.), Association of American Railroads, this column runs in alternate weekly news issues of this paper, and is devoted to authoritative answers to questions on transportation department matters. Questions on subjects concerning other departments will not be considered, unless they have a direct bearing on transportation functions. Readers are invited to submit questions, and, when so inclined, letters agreeing or disagreeing with our answers. Communications should be addressed to Question and Answer Editor, Railway Age, 30 Church street, New York 7.

[When the first of these columns was run, June 22, 1953, we asked that readers write us their comments and send in questions. To date there have been a few comments; and a number of people volunteered answers to the question on car loadings asked in the July 6 issue and answered in this issue, but relatively few readers have sent in questions. This column is intended to reflect your interests and problems—not those of its conductor or of the editorial staff of this paper. You can help make it your column by sending us some questions.—G. C. R.]

Eight applications were correct; 11 were violations of Rule No. 2, and one was a violation of Rule No. 3.

The violations of Rule No. 2 are self-evident. However, some of them, although technically in violation of the rule, were, in the absence of other suitable ownerships, good "horse-sense" usage, e.g., an SAL car to Miami via ACL, or an ACL car to Atlanta via Southern. It should be noted that, while it is a violation to use an ATSF car for loading to Great Falls, Mont., it is permissible to use it to Seattle. The latter application is correct under Rule No. 2, Par. C-3, the car being loaded from a point in a district, not the home district or one contiguous thereto, to a point in a district contiguous to a home district. The same rule justifies the loading given the CGW car to New Orleans.

From PRR to Bush Terminal is really a system movement. Bush acts as agent for the PRR and other New York harbor roads, and has no cars of its own.

Incidentally, only a few persons sent in answers to this quiz. No one got all the answers right. (The best score was 18 of 20.) At some future date there will be another quiz, of a somewhat different type, on Car Service Rules. Hope a few more of you will try to answer it.—G. C. R.

## Another Attack on "Value of Service" Rates

The top prize of \$2,000 at the recent Pan American Railway Congress was awarded to a Cuban railroader—A. D. Lopez-Hidalgo, general freight and passenger agent of the Hershey Cuban Railway—for a paper on the subject of railway-truck competition. In 1938, as the author relates, a "coordination" law was enacted in Cuba which equalized rates of competing rail, highway and water carriers. At that time highway common carriers were subjected to a substantial toll charge for the use of the highways, but private carriers were exempt from this impost. The result was that private carriers multiplied and the toll was subsequently removed from highway common carriers. Afterwards, water carriers' rates were also reduced.

Thus, in practical effect, only the railways were left holding the fort with traditional rates, based on classification of freight according to "value of service." A major diversion of traffic from the rails to the highways inevitably followed, with the effect that, despite rate increases, current railway operating revenues are less than those of 25 years ago.

### Would Straighten the Parabola

Mr. Lopez-Hidalgo concludes — from the figures which he sets forth in detail and analyzes carefully—that the railroads must largely abandon "value of service" considerations in their rate-making and, instead, must rely on "cost of service" to a greater degree than they have done heretofore. He concludes, further, that the progression of railroad rates—which heretofore has usually assumed the form of a parabola (a curve which is high at the extreme left and swings downward, sharply at first and then more gradually as it moves to the right)—must hereafter take on more of the form of a straight line through the greater part of its length.

These are the author's principal conclusions. He is inclined, also, to favor some limitation on the radius of private transportation. He believes that "value of service" principles in rate-making are sound from the standpoint of national welfare and that regulation of transportation is desirable to permit such principles to be given considerable weight in rate-making. However, he

concedes with apparent reluctance the impracticality of retaining such principles in force on the railroads alone, if other forms of transportation are not required to observe them. He would, presumably, agree with the British point of view set forth in this space in our last week's issue, to the effect that rates based on "value of service" cannot stand up when exposed to ruthless competition from agencies which base their charges on costs of particular movements.

Mr. Lopez-Hidalgo's paper has been printed (in Spanish, but with an introduction in English) and, so long as the supply of copies holds out, can probably be obtained upon application to Dr. Herbert Ashton, executive secretary of the U. S. National Commission to the Pan American Railway Congress Association, care of the Department of Commerce in Washington. Commenting on Mr. Lopez-Hidalgo's expression, the head of the traffic department of an important U.S. railroad writes, in substance, as follows:

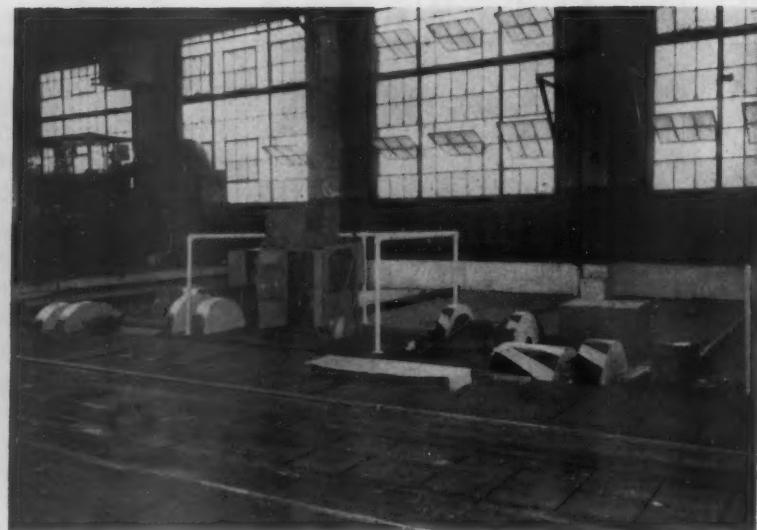
### One Man's Reaction

"It is Mr. Lopez-Hidalgo's opinion that it is necessary to reduce rates on high-grade commodities and increase those on low-grade traffic. While this may be true for Cuba, I do not believe it is necessary for the United States. Here, revenues of regulated motor carriers are some \$4 billion per annum—not to mention the large and growing traffic volume of private transportation. If the railroads could recover a substantial proportion of that traffic—which is certainly feasible economically—it should not be necessary to increase *any* railroad rates; indeed, it might be possible to make some reductions in order to encourage the movement of low-grade and long-haul traffic. In my opinion, classification (i.e., by value rather than cost-of-handling) should be abandoned and railroad rates, within the range of truck competition, should be progressed as a straight line.

"I do not believe that, in this country, it would be necessary or desirable to restrict the operation of private carriers, provided the railroads are permitted and encouraged to adopt the approach to railroad rate-making which Mr. Lopez-Hidalgo believes to be required. Many large industries are employing our outmoded railroad rate structure to price their products at destination. They are making actual deliveries in their own trucks and are pocketing the difference between truck operating costs and our railroad rates. With the continued decentralization of industry, this competition with the railroads will be intensified, unless the railroads take away the incentive."



MACHINERY COLOR should stand apart from miscellaneous equipment, such as guard rails, racks, etc., for better concentration and safety.



STUMBLING AND FALLS are among the most common accidents in the railroad industry. Obstructions should be clearly marked as shown here.

## Color Code Can Cut Accidents

Such a code holds possibility of further improving safety by promoting maximum observance of safety rules

By FABER BIRREN  
Color consultant to Faber Birren & Co., New York

The past 30 years have set an impressive record of gains in railway safety; 1952, by all standards, was the safest in the history of American railroad operations.

If that record is to be continued—and improved—one obvious requirement is to obtain maximum observance of safety rules. The use of approved color codes, which have thoroughly demonstrated their worth in accident reduction, offers one approach to that problem of better rules observance.

Case histories show that use of a color code provides a positive safeguard against lost-time accidents. Consider, for example, the New York City Transit System, with 38,000 employees, which reduced accident frequencies 42.3 per cent within 18 months, through a carefully supervised and installed safety color code. Compensation insurance statistics indicate that was equivalent to a saving of \$500,000 per year.

### Better Working Conditions

Color treatment of railroad property—be it general offices, shops or roundhouses—is governed by the amount of light available and by known laws of vision.

Creation of a comfortable working environment in shops and offices is essential. Fatigue and eyestrain are sure to occur where extreme differences of brightness exist within the field of vision.

Dark machines in contrast with walls of a different shade force the eyes to undergo constant adjustment.

Increasing the reflective value of machines by use of medium tones and reducing wall glare with use of soft tones, reduces such visual shock. Wall tones that reflect 50 to 60 per cent of the light, and machinery that reflects 20 to 30 per cent, are considered ideal for practical purposes.

Certain railroad occupations seem to be particularly susceptible to some types of accidents. In one large shop of an eastern railroad, for instance, 71 per cent of all accidents during one year could be attributed to six causes—handling of materials; operation of hand and power trucks; falls of various sorts; being struck by freight; being caught between objects; and being hit by tools or equipment.

### Setting Up a Color Code

Here a color code offers special hope for improved conditions. Studies of visibility disclose that yellow, orange and yellow-green are all easily discernible, and red and red-orange are dominant when it comes to attracting attention. In fact, most colors compel notice over white, gray and black.

The author, back in 1943, created a color code that has since been accepted in substantial form by the American Standards Association and widely adopted by private industry and the government.

In brief, it specifies yellow—or combinations of yellow and black—to mark strike-against, stumbling and falling hazards found in obstructions, low beams, pit and platform edges, dead

ends and the like. The same yellow and black, in the form of a checkerboard, are used to warn against eye hazards encountered in welding.

Orange is used for acute hazards likely to cut, crush, burn or shock the worker. It is painted along cutting edges, near rollers, gears, exposed electrical hazards and hot piping.

Green is an identification for first aid equipment, and red for fire protection devices.

Blue—the traditional precaution color used by railroads—indicates controls in general, for switch boxes, and to mark equipment down for repair, such as railway cars, machinery, scaffolding, etc. Recently a purple and yellow symbol was introduced by the Atomic Energy Commission to mark radioactive hazards and radi-chemicals.

### Improved Housekeeping

Improved housekeeping naturally follows when safety color codes are set up. Employees take more pride in clean surroundings. They automatically suggest better attention to plant equipment, tidier floors and a more thorough cleaning of hard-to-get-at corners. Good plant housekeeping is noted when stripes definitely locate traffic lanes, aisles, and areas for storage, and when waste receptacles are strategically placed.

Adoption of a color code in U.S. Navy shore installations, according to a report released by the Navy's Office of Industrial Relations, has helped to reduce the industrial accident frequency rate from 6.4 in 1948 to around 4.6 within five years.

It obviously would be folly to contend that even a color code can end all accidents, since transportation of every sort is subject to certain hazards. But the startling gains made in the reduction of accidents strongly indicate that still more can be accomplished in this direction.

## Figures of the Week

### Freight Car Loadings

Loadings of revenue freight in the week ended August 22 totaled 817,431 cars, the Association of American Railroads announced on August 27. This was an increase of 10,044 cars, or 1.2 per cent, compared with the previous week; a decrease of 16,798 cars, or 2 per cent, compared with the corresponding week last year; and a decrease of 21,156 cars, or 2.5 per cent, compared with the equivalent 1951 week.

Loadings of revenue freight for the week ended August 15 totaled 807,387 cars; the summary for that week, compiled by the Car Service Division, A.A.R. follows:

#### REVENUE FREIGHT CAR LOADINGS For the week ended Saturday, August 15

District	1953	1952	1951
Eastern	136,169	129,697	137,562
Allegheny	158,579	160,241	171,288
Pocahontas	61,468	59,533	64,390
Southern	123,515	125,508	124,862
Northwestern	144,091	148,470	143,331
Central Western	123,764	122,533	125,070
Southwestern	59,801	59,774	62,895
Total Western Districts	327,656	330,777	331,296
Total All Roads	807,387	805,756	829,398
Commodities:			
Grain and grain products	50,456	50,085	53,144
Livestock	6,970	7,325	9,285
Coal	135,539	144,458	147,426
Coke	12,671	12,872	16,368
Forest products	47,216	48,845	49,871
Ore	94,219	95,346	92,975
Merchandise l.c.l.	70,772	72,510	74,992
Miscellaneous	389,544	374,315	385,337
August 15	807,387	805,756	829,398
August 8	785,349	781,648	809,365
August 1	793,754	733,076	813,388
July 25	780,705	607,190	820,476
July 18	791,414	609,000	805,378
Cumulative total			
33 weeks	24,278,921	23,092,473	25,363,785

**In Canada.**—Carloadings for the seven-day period ended August 14 totaled 79,328 cars, compared with 73,815 cars for the previous seven-day period, according to the Dominion Bureau of Statistics.

### Operating Revenues and Revenue Freight Ton-Miles of Classes I, II, and III Line-Haul Railroads, Compared with National Income and Population

Year	National income (Billions of dollars)	Operating revenues per dollar of national income (Cents)	Ton-miles of revenue freight per capita
1939	72.5	5.58	2,560
1940	81.3	5.35	2,844
1941	103.8	5.21	3,585
1942	137.1	5.50	4,760
1943	169.7	5.39	5,349
1944	183.8	5.18	5,363
1945	182.7	4.92	4,901
1946	180.3	4.28	4,212
1947	198.7	4.42	4,568
1948	223.5	4.38	4,374
1949	216.3	4.01	3,546
1950	240.6	3.98	3,900
1951	278.4	3.78	4,210
1952	291.6	p3.67	p3,936

p=Preliminary

From the August 12, 1953, issue of "Monthly Comment," published by the Bureau of Transport Economics and Statistics, Interstate Commerce Commission.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
<b>Totals for Canada:</b>		
August 14, 1953	79,328	31,348
August 14, 1952	82,905	34,236
<b>Cumulative Totals</b>		
August 14, 1953	2,455,342	1,024,796
August 14, 1952	2,528,541	1,065,254

### Organizations

#### Plan Huge Exhibit In Chicago's Coliseum

A total of 126 manufacturers will participate in the exhibit to be held in the Coliseum at Chicago by the Track Supply Association and the Bridge & Building Supply Association during the annual convention of the Roadmasters' Association and the American Railway Bridge & Building Association, September 15-17. This exhibition will feature materials, equipment and devices used in construction and maintenance of railway tracks, bridges, buildings, and water and fuel-service facilities. Products on display will include many that have never before been exhibited.

The exhibition will open its doors Monday, September 14, a day ahead of the conventions. It will open each day at 9 a.m., Chicago Daylight Saving Time, and will close at 5 p.m. Monday and Tuesday, 4 p.m. Wednesday and 12 noon Thursday. Following is a list of companies that will participate in the exhibit:

#### List of Exhibitors

Achuff Railway Supply Company; American Brake Shoe Company (Ramapo Ajax division); American Chemical & Paint Co.; American Hoist & Derrick Co.; American Lumber & Treating Co.; American Railroad Curvelining; Armcro Steel Corporation.

Baldwin-Lima-Hamilton Corporation; Barber-Greene Company; Barco Manufacturing Company; Bernuth, Lembcke Company; Binks Manufacturing Company; Bird & Son, Inc.; R. H. Bogie Company; Briggs & Stratton Corp.; Brushmaster Saw, Inc.; Buda Company.

Caterpillar Tractor Company; Chicago Pneumatic Tool Company; Chipman Chemical Company; Continental Motors Corporation; Crofoot, Nielsen & Co.; Cullen-Friestedt Company.

Dearborn Chemical Company; Dow Chemical Company; Duff-Norton Manufacturing Company; E. I. du Pont de Nemours & Co.; Durable Mat Company.

Eaton Manufacturing Company (Reliance division); Electric Tamper & Equipment Co.; Enterprise Railway Equipment Company; Eutectic Welding Alloys Corporation.

Fabreka Products Company; Fairbanks, Morse & Co.; Fairmont Railway Motors, Inc. Gary Slag Corporation; General Chemical division, Allied Chemical & Dye Corp.; German-Rupp Company.

Brice Hayes Company; Hayes Track Appliance Company; Hobart Brothers Company; Homelite Corporation; Hubbard & Co.

Illinois Bell Telephone Company; Industrial Brownhoist Corporation; Ingersoll-Rand Company; International Harvester Company; Irvington Form & Tank Corp.

Jackson Vibrators, Inc.; Johns-Manville Sales Corporation; O. F. Jordan Company.

Kalamazoo Manufacturing Company; Kershaw Manufacturing Company; Koehring Company.

Wm. W. Lee & Son; Lehon Company; Le Roi Company; LeTourneau-Westinghouse Company; Link-Belt Speeder Corporation; Locomotive Finished Material Company.

R. C. Mahan Company; Maintenance Equipment Company; Mail Tool Company; Massey Concrete Products Company; Master Builders Company; Matisa Equipment Corporation; Mead Specialties Company; Mid-West Forging & Manufacturing Co.; Minnesota Mining & Manufacturing Co.; Mississippi Supply Company; Modern Railroads; Morrison Railway Supply Corporation; Motorola Communications & Electronics, Inc.; Murdock Manufacturing & Supply Co.

National Aluminite Corporation; National Blue Print Company; National Lock Washer Company; Nichols Engineering Company; Nordberg Manufacturing Company; Northwestern Motor Company.

Oliver Corporation; Oliver Iron & Steel Corp.; D. W. Onan & Sons, Inc.; Oxbeld Railroad Service Company.

P. & M. Co.; Pacific Coast Borax Company; Earl H. Pence & Co.; Pettibone Mulliken Corporation; Pocket List of Railroad Officials; Pullman-Standard Car Manufacturing Company.

Q & C Co.

Racine Hydraulics & Machinery, Inc.; Rail Joint Company; Railroad Accessories Corporation; Railroad Products Company; Railroad Rubber Products, Inc.; Rail Company; Railway Age; Railway Ballast Conditioning; Railway Maintenance Corporation; Railway Purchases & Stores; Railway Track & Structures; Railway Trackwork Company; Reade Manufacturing Company; Roseman Tractor Equipment Company; Rust-Oleum Corporation; Rydin Supply Company.

Safety First Shoe Company; Schramm, Inc.; Security Locknut Corporation; Southern Amiesite Asphalt Company; Sperry Products, Inc.

Taylor-Fibre Company; Tapecoat Company; Teleweld, Inc.; Templeton, Kenly & Co.; Tidwell Tool Company; Timber Engineering Company; True Temper Corporation.

Gradall division, Warner & Swasey Co.; Warner Lewis Company; Warren Tool Corporation; White Manufacturing Company; Wisconsin Motor Corporation; Woodings-Verona Tool Works; Wooley Machine Company.

Young & Greenawalt Co.

### Military Railway Group Plans September Reunion

The Military Railway Service Veterans, national organization of veterans who served with military railway units during World War II or in Korea, will hold its eighth annual reunion at the Jung Hotel in New Orleans September 18-20.

Speakers scheduled to address the group include Mayor de Lesseps S. Morrison of New Orleans, and Brigadier General Paul F. Yount, acting chief of transportation of the Department of the Army.

Major General Carl R. Gray, Jr., who organized the M.R.S.V. shortly after World War II, is honorary director-general of the organization. Karl F. Emmanuel, general manager of the Peoria & Eastern, is director-general.

The M.R.S.V. has a membership of approximately 1,200.

The Fire Protection and Insurance Section of the Association of American Railroads will hold its

annual meeting in St. Louis, October 12-14.

The **Mid-West Shippers Advisory Board** will hold its 104th regular meeting in the Pere Marquette Hotel, Peoria, Ill., October 21-22. Arrangements are being made with the Rock Island to operate extra equipment to accommodate members and guests who will leave Chicago at 7 p.m. October 20.

The annual meeting of the **American Association of Passenger Rate Men** will be held September 10-12, on the steamer "Tadoussac," sailing from Montreal. Major subjects for discussion are simplification of tariffs, simplification of division publications, and theory and basic principles of rate making and divisions.

The annual convention of the **Associated Traffic Clubs of America** will be held at the Hotel Statler, Boston, September 20-23. T. F. Murphy, president of the Traffic Club of New England, will be honorary general chairman, and Charles H. Hurley, president, Waterfront Service Company, general chairman.

Warren W. Brown, president of the Chicago, Indianapolis & Louisville, will be guest speaker at a joint luncheon session following the 107th regular meeting of the **Ohio Valley Transportation Advisory Board** at Louisville, Ky., September 9-10. The **Transportation Club of Louisville** and the **Louisville Chamber of Commerce** also will participate in the luncheon at the Brown Hotel on the 10th. During the general meeting of the board, H. A. Holloper, traffic director of the Indiana State Chamber of Commerce, will speak on "Transportation Planning for the Future."

The **Signal Section** of the **Association of American Railroads** will hold its annual meeting at the Chase Hotel, St. Louis, September 28-30.

The annual convention of the **National Association of Railroad and Utilities Commissioners** will be held at the Hotel Roosevelt, New York, September 21-24. Among topics tentatively scheduled for discussion are: Should the Long-and-Short-Haul Provision of Section 4 Be Included in Part II of the Interstate Commerce Act, or Has It Outlived Its Usefulness; Atomic Energy in the Electric Industry; Motor Carrier Indemnity Insurance Problems; and State Commission Reorganization and Administration. Jerome K. Kuykendall, chairman of the Federal Power Commission, will be one of the convention speakers.

The annual fall outing and golf tournament of the **Wyoming Valley Traffic Club** will be held at the Scranton Country Club, Clarks Summit, Pa., September 10.

## Equipment & Supplies

### Car Ownership Gains Slowly

Installations only 7,730 above retirements in year ended August 1, but "serviceable ownership" gains by 22,493 units

Class I railroads increased freight car ownership by less than 8,000 cars in the year ended August 1, 1953, according to figures supplied by A. H. Gass, chairman of the Car Service Division of the Association of American Railroads.

The gain in ownership—installations less retirements—amounted to 7,730 cars, an average of about 645 cars per month. Largest gain for any type of car (4,774) was in covered hoppers. Biggest loss (4,455) was in box cars.

Actually, Class I roads increased their "serviceable ownership" by a total of 22,493 cars in the year ended August 1. This reflected not only the net increase in the car fleet, but a reduction of 14,763 in the number of bad-order cars.

Equipment figures contained in the latest issue of "The National Transportation Situation," published by the Car Service Division, showed Class I roads and their subsidiary refrigerator car lines owned 1,851,429 freight cars of all types on August 1, 1953. A year

earlier ownership stood at 1,843,699. Mr. Gass reported that "serviceable ownership" stood at 1,754,512 cars on

#### Gain or Loss in Car Ownership by Class I Railroads, August 1, 1952, to August 1, 1953

Type of Car	Net Change
Box	4,455*
Gondola	282
Hopper	3,729
Covered Hopper	4,774
Flat	903*
Refrigerator	1,144
Other	3,159

\*Net loss

August 1, 1953, compared with 1,732,019 cars a year earlier.

An accompanying table, based on figures compiled by Mr. Gass, shows the net gain or loss in ownership over the past year by each type of car.

### FREIGHT CARS

The **Bangor & Aroostook** has ordered five 50-ton cushion underframe box cars from the Pullman-Standard Car Manufacturing Company for delivery in the first quarter of 1954.

The **Chesapeake & Ohio** has ordered five 70-ton hopper cars from its Russell, Ky., shops at an approximate cost of \$6,000 each. Delivery is expected next October.

The **Clinchfield** has ordered 100 50-ton box cars from the American Car & Foundry Co. at an estimated cost of \$600,000. Delivery is scheduled for the first quarter of 1954.

The **Gulf, Mobile & Ohio** has ordered one 140-ton depressed center flat car and 90 50-ton flat cars from its Bloomington, Ill., shops. The smaller cars, to cost an estimated \$679,500, are scheduled for delivery by the end of September, and the larger car, estimated cost of which is \$40,000, is to be delivered in the first quarter of 1954.

The **Missouri Pacific** has ordered 100 50-ton pulpwood cars from its De Soto shops at an estimated cost of \$7,500 each. Delivery is scheduled for the fourth quarter of 1954.

The **Southern** has ordered from the Thrall Car Manufacturing Company

75 70-ton flat cars which will be equipped with roller bearings. The cars will cost about \$900,000, and deliveries are expected to start late this year.

### LOCOMOTIVES

#### 1,409 Locomotive Units Installed in Seven Months

Class I railroads installed 1,409 new locomotive units in the first seven months of 1953, compared with 1,917 new units in the like 1952 period, the Association of American Railroads has announced. Installations in the first seven months of the current year included 1,397 diesel units and 10 steam and two gas turbine-electric locomotives, while in the first seven months last year installations comprised nine steam, two electric and five gas turbine-electric locomotives and 1,901 diesel units.

July 1953 motive power installations by Class I railroads included one gas turbine-electric and one steam locomotive and 111 diesel units, compared with July 1952 installations of one steam and one gas turbine-electric locomotive and 145 diesel units.

Class I railroads had 516 new locomotive units on order August 1, including 484 diesel units and five steam, 10 electric and 17 gas turbine-electric locomotives. On the same date last year, Class I railroads had on order

1,429 diesel units and 25 steam and five gas turbine-electric locomotives.

The **Northern Pacific** plans purchase of 30 diesel locomotive units, comprising 14 1,500-hp. road-switchers, five 1,000-hp. switchers, two 4-unit 6,000-hp. freight locomotives, and one 3-unit 4,500-hp. passenger locomotive. Cost is estimated at \$4,548,000.

## New Facilities

### CPR Installs FM Radio To Vancouver Island

The Canadian Pacific is now installing frequency modulation radio between the Canadian mainland and Vancouver Island, to replace submarine cables for communications circuits. Provision is being made for 45 telegraph and Teletype circuits, but this number can be doubled if traffic warrants.

In Vancouver, the radio transmitter and receiver are located on the 22nd floor of the Hotel Vancouver; erected outside are its parabolic antennas, which look like giant dishes to the man in the street. Actually, they are 5½ feet high. A similar pair of antennas has been erected high on a hillside near Departure Bay on Vancouver Island, where the radio receivers will pick up mainland messages, and carry them onto a line circuit into the Nanaimo office. From there they will be dispatched by regular telegraph facilities.

The CPR also has ordered from the Union Switch & Signal Division of Westinghouse Air Brake Company a modified style C control machine, plug-in relays, and relay racks, to be installed at the Whittier Junction all-relay interlocking, Winnipeg. A previous order covered style H-2 searchlight signals and M-3 electric switch machines.

**Norfolk & Western.**—Has ordered from the Union Switch & Signal division of Westinghouse Air Brake Company materials to complete a project which includes equipping a new yard at East Bluefield, W. Va., with power-operated switches; extending the Blake traffic control installation to Bluefield, and moving the present Blake-Lurich control machine from Blake to Bluefield. A new Style C control machine also will be installed at Bluefield to handle the new yard facilities. Other material includes code equipment, style PL-2 position-light signals, A-5, A-21 and NA-15 electro-pneumatic switch machines, coded track circuit apparatus, and relays.

**St. Louis Southwestern.**—Has ordered from the Union Switch & Signal division of Westinghouse Air Brake Company material to install centralized traffic control on 83.6 miles



**SOMETHING OF A LANDMARK** in cooperation between two railroads to achieve a common end—first-class service to shippers—was marked by recent arrival in Maine of the first of 100 insulated box cars purchased by the New York, New Haven & Hartford for use primarily in potato and newsprint traffic originating on the Bangor & Aroostook. The cars are identical with 450 dual-purpose,

insulated box cars now owned by the B&A, and will operate as part of the B&A's freight car fleet. They were ordered last winter by the New Haven to assist the B&A in handling state of Maine products. Shown here, looking at the new car, are Lester Terrio and Sam Ruth, superintendent of transportation and car service chief clerk, respectively, for the Bangor & Aroostook.

of single track between Dexter Junction, Mo., and Jonesboro, Ark. A 5-ft. section will be added to the present style C control machine at Illmo, Mo. In addition to code and carrier equipment, the order includes style H-2 searchlight signals, M-23 dual-control electric switch machines, SL-6 electric switch locks and relays.

## Supply Trade

**R. R. Burkhalter** has been promoted to the newly created position of

assistant executive engineer of **Dana Corporation**, Toledo, Ohio. He joined the Spicer (now Dana) engineering staff in 1929.

The **Westinghouse Electric Corporation** plant at Attica, N. Y., which has been building industrial stokers, will become a branch plant of the Westinghouse motor and control division, and will produce parts for electric motors and some other products.

**William E. Mahin**, formerly director of research for the **Armour Research Foundation**, has been appointed technical director of **Vanadium Corporation of America**. He will direct technical and research ac-



Blank & Stoller

**A. P. SHEARWOOD** (left), vice-president—sales of National Steel Car Corporation, Hamilton, Ont., and Montreal, has been elected chairman



Hubert Beckett

of the board and chief executive officer, and **H. J. Lang** (right), vice-president, has been elected president, effective immediately.

## FRED A. POOR DIES

Fred A. Poor, chairman of the board of Poor & Co., and one of the most widely known railway equipment manufacturers in the United States, died at Chicago of a heart attack August 26 at the age of 83. After experience in the express and signal businesses, Mr. Poor, at the turn of the century, went to work for the Bebber Rail Joint Company. While thus employed he invented an improved rail anchor and later organized his own company to market the device.

Activities at the research center which is being erected at Cambridge, Ohio, where the company operates a new aluminum and ferro alloy producing plant.

**John H. Harper**, assistant chief engineer of the Acme Steel Company at Chicago, has been promoted to chief staff engineer at Riverdale, Ill.

**N. Rulison Knox** has resigned as vice-chairman of Bucyrus-Erie Company to become assistant to chairman of Poor & Co. Mr. Knox had a long career with the former company, becoming president in 1943 and vice-chairman in 1952.

The welding products division of A. O. Smith Corporation has transferred manufacture of its line of welders from Milwaukee to expanded quarters at Elkhorn, Wis. New construction is under way to add another 16,000 sq. ft. to the Elkhorn plant.

**Warren H. Moyer**, vice-president and treasurer of Chipman Chemical Company, Bound Brook, N.J., has been elected president, succeeding O. M. Bernuth, who has become chairman of the board. **Charles M. Bernuth**, formerly assistant to president, has become treasurer.

As part of its program for observing its 85th year in business, National Malleable & Steel Castings Co. has established \$3,000 in scholarship funds at six educational institutions. The scholarships, for \$500 each, are the first to be arranged by the Foundry Educational Foundation, which is developing a nationwide educational program on behalf of the foundry industry.

**Frank W. Walker**, zone manager for Michigan of Motorola Communications & Electronics, Inc., has been promoted to manager of a newly created sales region composed of southern California, Arizona and southeastern Nevada, with office in Los Angeles.

Under a general reorganization of the sales program of Electric Service Manufacturing Company, Philadelphia, William D. Jameson, formerly

with Yale & Towne Manufacturing Co., has been appointed general sales manager; I. W. Schmidt, vice-president and former sales director, will direct a new department of market research; and **Harold A. Geatrell** will head advertising and sales promotion.

weeks after the commission approved acquisition of control of the A&V.

The IC said 1952 rental and taxes on the VS&P amounted to \$518,373.

## Arkansas & Louisiana Missouri

—*Trackage Rights*.—Division 4 of the I.C.C. has rejected a joint proposal by this road and the Missouri Pacific, which would have given both roads access to a proposed new \$25,000,000 pulp plant near Spencer, La. Olin Industries plans to build the plant, and the A&LM, a short-line subsidiary of Olin, sought permission to extend its lines to serve the new facility. This involved construction of two segments, and acquisition of trackage rights over 13.5 miles of MP line. The MP would have served the plant by acquiring trackage rights over one of the A&LM segments.

Olin contended rail service from two carriers would assure adequacy of transportation for the new plant, and the competitive situation would result in better service and an adequate car supply.

Division 4 turned down the proposal by a two-to-one vote. It said the arrangement would place the MP at a "distinct disadvantage," and it held MP service alone would be adequate for the needs of the pulp plant. Commissioner Mitchell, who dissented, said the division's action may knock out the proposed plant, and thus deprive the MP of traffic it might otherwise have received.

**Georgia Southern & Florida**.—*Acquisition*.—This road has asked the I.C.C. for authority to acquire stock control of the South Georgia, a 77.5-mile line between Adel, Ga., and Springdale, Fla., and of the Live Oak, Perry & Gulf, a 46-mile line between Live Oak, Fla., and Springdale. The GS&F, a part of the Southern, would pay \$75 a share for SG common stock, \$60 a share for the preferred, and \$100 a share for LOP&G stock.

Buckeye Cellulose Corporation is constructing a pulp plant at Foley, Fla. The GS&F told the I.C.C. that Buckeye wants the two short-line roads to become an integral part of the Southern to insure adequate rail transportation for the new plant. The plant will be served directly by the LOP&G.

**Inland Waterways Corporation**.—*Transfer of Operating Rights*.—The I.W.C. and the Federal Waterways Corporation, a private corporation, have applied to the I.C.C. for authority to transfer to F.W.C. the operating rights held by I.W.C. As noted in *Railway Age* August 3, page 9, the government has sold all facilities of I.W.C. for \$9,000,000, but transfer of operating rights is subject to I.C.C. approval.

Among documents filed with the I.C.C. is a letter from the Department of Justice, stating that sale of I.W.C. by the Department of Commerce is in accord with requirements imposed by Congress back in 1924.

Chairman Johnson of the I.C.C. has

## Financial

### Tax Ruling Forces I.C. To Acquire Leased Lines

The Illinois Central has applied to the I.C.C. for authority to acquire control of the Vicksburg, Shreveport & Pacific, a 186-mile line extending across Louisiana from the Mississippi River to the Louisiana-Texas state line.

Mississippi Valley Corporation, wholly owned subsidiary of IC, would acquire the controlling interest. In a similar transaction recently the IC was authorized by the I.C.C. to acquire control of the Alabama & Vicksburg, a 141-mile line between Meridian, Miss., and Vicksburg (*Railway Age*, August 17, page 23).

Both the VS&P and the A&V are integral parts of the IC system, and the facilities have been operated under long-term lease. The lease agreements provided that rental paid by IC would include interest on bonds, a fixed return on outstanding stock, and all taxes, including federal income taxes.

In March 1952, the Commissioner of Internal Revenue issued a ruling (Mineograph No. 6779) that payment of income taxes by the lessee constitutes "additional income" to the lessor. Effect of the ruling has been to pyramid tax upon a tax to the point of infinity.

Acquisition of control of the VS&P and the A&V is therefore aimed at eventual tax savings.

The railroads, meanwhile, have advised Congress of the predicament caused by the Internal Revenue ruling. The House Ways and Means Committee has been studying the general tax structure, and the Association of American Railroads made a presentation on this *ad infinitum* tax.

Samuel H. Hellenbrand, general tax attorney of the New York Central, told the committee that the internal revenue ruling pyramids the present 52 per cent tax rate to as high as 108 1/3 per cent—"more than twice the rate imposed by law."

Mr. Hellenbrand said the government has historically taken the position that imposition of taxes as in the IC case would be "absurd." He said the new "very technical" interpretation of the income tax law produces "shocking" inequities; and he asked for legislation to restore the situation existing prior to the 1952 ruling.

The IC's application for authority to acquire control of the VS&P was filed with the I.C.C. last week, exactly three

already indicated the sale meets with his approval. On July 24 he wrote Commerce Secretary Weeks congratulating him on the sale of I.W.C.

**New York Central.** — *Conditional Sales Agreement.* — The New York State Public Service Commission has authorized the New York Central to issue a conditional sales agreement up to \$21,356,191 to finance purchase of 114 diesel units from the Electro-Motive Division of General Motors Corporation (*Railway Age*, April 20, page 100).

**New York, Ontario & Western.** — *Reorganization Plan Filed.* — A new plan for reorganization of the NY&W, in bankruptcy under Section 77 of the Bankruptcy Act since 1937, has been filed with the I.C.C. and the U.S. District Court by a group of holders of the road's refunding mortgage bonds. The plan would separate the road's branch lines to Kingston, N.Y., and Port Jervis into a new company to be operated as a short line. The main lines from Middletown, N.Y., to Oswego, and to Scranton, Pa., would continue to operate as a Class I railroad.

**St. Louis Southwestern of Texas.** — *Trackage Rights.* — Division 4 of the I.C.C. has approved this road's plan for acquiring trackage rights over 46.2 miles of the Texas & New Orleans between Plano, Tex., and Sherman. At the same time, the division authorized the road to abandon its own line between Sherman and Commerce, 51.2 miles. Division 4 noted the two proposals are "interdependent." Abandonment of its own line will save the Cotton Belt the cost of rehabilitation—estimated at \$881,000. Use of the T&NO segment, meanwhile, will enable the road to handle bridge traffic more economically.

Division 4 said: "It is not contended by the applicant (Cotton Belt) that losses have been sustained in the operation of the Sherman branch, but rather that Sherman traffic can be given better service and handled more efficiently and economically under the proposed plan . . ."

For its use of the T&NO trackage, the Cotton Belt will pay \$1.58 a train-mile, subject to an annual minimum of \$45,498.

## Securities

**Denver & Rio Grande Western.** — *Stock Dividend.* — Directors of the D&RGW have declared a 50 per cent dividend on the company's common stock, subject to authorization by the I.C.C. and to a ruling by the Commissioner of Internal Revenue that such dividend will not be subject to federal income tax. The stock dividend, which

### Table of Selected Income and Balance Sheet Items of Class I Steam Railways, for the month of May and the first five months of 1953 and 1952, appears on page 27.

would be at the rate of one-half share for each share now held, would be payable next December 30, to holders of record December 18.

Rio Grande directors have also declared two dividends of \$2, each, on outstanding common shares. Payable, respectively, September 22 and December 15, these disbursements will bring total dividend payments for the current year to \$6 per share, against \$4 last year, \$3 in 1951, and \$2 in the three preceding years.

## Application

**SOUTHERN PACIFIC.** — To assume liability for \$5,250,000 of series KK equipment trust certificates, to finance in part 15 diesel units and 661 freight cars costing an estimated \$7,018,365.

Description and Builder	Estimated Unit Cost
2 6,750-hp. 3-unit passenger locomotives (American Locomotive-General Electric Companies)	\$717,654
1 1,600-hp. freight locomotive (Alco-G.E.)	196,886
3 1,200-hp. freight locomotive (Baldwin-Lima-Hamilton Corporation)	108,043
5 1,200-hp. switching locomotives (B.L.H.)	105,868
196 70-ton tight-bottom gondola cars (American Car & Foundry Co.)	7,266
114 70-ton open-hopper ballast cars (Pullman-Standard Car Manufacturing Company)	6,928
183 50-ton box cars (Southern Pacific Equipment Company)	5,895
168 50-ton drop-bottom gondola cars (SP Equipment Company)	7,063

The certificates, to be dated September 1, would mature in 15 annual installments of \$350,000 each, beginning September 1, 1954. They would be sold by competitive bidding, with the interest rate to be set by such bids.

**UNION (Pittsburgh).** — To issue \$5,000,000 in notes to the United States Steel Corporation in connection with acquisition of 1,975 70-ton gondola cars. The cars will cost an estimated \$7,258,125. The steel corporation would advance funds to the road from time to time as the cars are delivered. Greenville Car Company will build 500 of the gondolas, Warren Car Company will build 250, and the remainder, 1,225, will be built in company shops. Estimated cost per car is \$3,675, subject to adjustments. The notes issued by Union would be payable in 20 semi-annual installments and would bear interest at 3 1/4 per cent.

## Authorization

**NEZPERCE.** — To issue and sell \$50,000 of common stock to repay advances made by owners of the road, and to provide additional working capital. The Nezperce is a 13.8-mile line between Nezperce, Idaho, and Craigmont.

## Security Price Averages

	Aug. 25	Prev. Week	Last Year
Average price of 20 representative railway stocks	61.32	63.11	63.54
Average price of 20 representative railway bonds	90.16	90.66	92.73

## Dividends Declared

**DENVER & RIO GRANDE WESTERN.** — \$2, increased, payable September 22 and December 15, to holders of record September 11 and December 4, respectively; also 50 per cent stock dividend, payable December 30 to holders of record December 18, subject to authorization by I.C.C.

**ERIE & PITTSBURGH.** — 7% guaranteed, 87 1/2¢, quarterly, payable September 10 to holders of record August 31.

**ILLINOIS CENTRAL.** — \$1.25, increased, quarter-

ly, payable October 1 to holders of record September 4.

**NORTHERN PACIFIC** — 75¢ quarterly, payable October 27 to holders of record October 5.

**SOUTHERN PACIFIC.** — 75¢, quarterly, payable September 21 to holders of record August 31.

## Railway Officers

### EXECUTIVE

As reported in *Railway Age* July 6, **E. C. Shreve** has been appointed assistant to president of the **WESTERN MARYLAND** at Baltimore. Mr. Shreve was born at Smokehole, W.Va., December 7, 1903, and attended Ohio State University (B.C.E., 1928; M.S., 1929; C.E., 1935; Research Fellow, 1928-1929). He was employed by the West Virginia State Road Commission



E. C. Shreve

from 1928 to 1939 and was head of the engineering department of Potomac State School of West Virginia University from 1930 to 1940. Mr. Shreve entered railroad service in 1940 as assistant engineer on the WM, becoming assistant division engineer later that year, division engineer in 1942, engineer maintenance of way in 1944, and chief engineer in 1945.

### FINANCIAL, LEGAL & ACCOUNTING

**Ira A. Sharon**, assistant general claim agent of the **UNION PACIFIC** at Omaha, retired August 31.

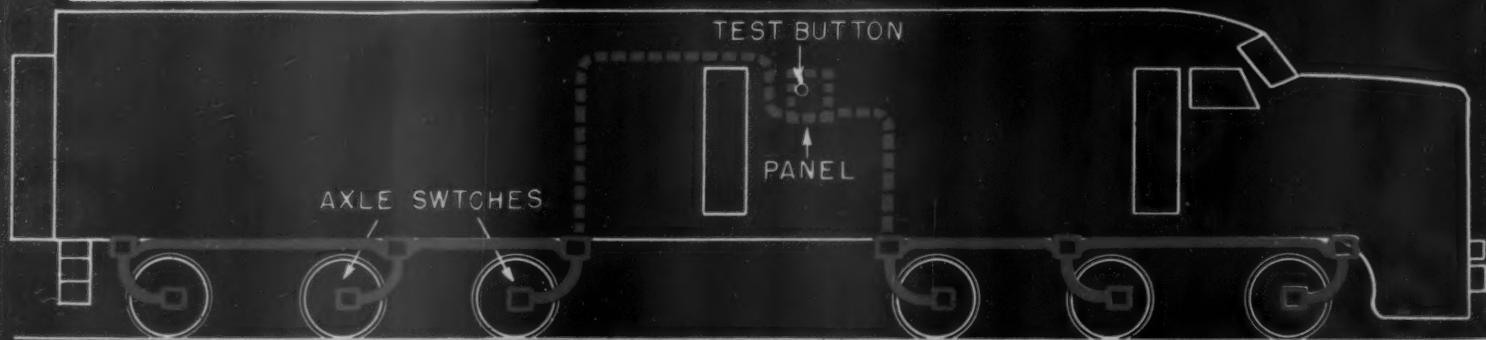
**G. B. Herbert**, secretary-treasurer of the **SOUTHERN PACIFIC** at Houston, Tex., retired August 31. **J. E. Echols**, assistant treasurer, succeeds Mr. Herbert as treasurer, while **J. F. Elliot** and **M. L. Bush**, assistant secretaries, assume the duties of secretary.

As reported in *Railway Age* July 27, **Stuart M. Butler** has been appointed general claim agent, Chesapeake district, of the **CHESAPEAKE & OHIO** at Richmond, Va. Mr. Butler, born at Richmond June 11, 1906, entered C&O (Continued on page 26)



At high speeds locomotive wheels literally "dance" on the rails, thereby become more susceptible to frequent slips. Such dangerous and costly slipping is now corrected automatically by G-E's new electric system.

Installation arrangement is simple. Three encased wires run from each axle switch unit to the control panel in the cab.





The axle switch is easily installed at one end of each axle and is accessible for servicing.

# SLIP-SLIDE

## New General Electric system provides protection against costly and dangerous wheel slip and slide

Wheel slip and wheel slide on diesel-electric or electric locomotives can be more than a nuisance—they can also be dangerous and contribute to high maintenance.

Now, General Electric has built and tested an electric device that detects, indicates and initiates corrective action against wheel slip. In addition, it detects and indicates wheel slide and locked axles which can occur during any phase of locomotive operation.

The slip protective system, which includes a switch unit mounted at one end of each axle, goes into action when any axle (or axles)—for any reason—starts rotating at a different speed than the others. At this point, an unbalance of voltages occurs in the axle switch circuits.

In the case of slip, the device initiates a reduction of power application to the traction motors. In order to prevent a second wheel slip, there is a time lag before power is re-applied to the slipping wheel.

In the case of slide, which occurs during dynamic or air braking, the condition is indicated to the operator, but braking is not interrupted automatically. A slide caused by a locked axle is also detected and indicated instantly.

The new General Electric system is extremely sensitive, indicating and correcting slippage over the entire range of locomotive speeds. Completely automatic, it requires none of the engineer's time or attention. The equipment can be installed in any type of journal box. All axle switches have the same cover and axle spline as commonly used on journal-mounted, axle-driven, speed recording equipment. Long life is assured by the simple construction, no brushes, no commutators, few moving parts to wear.

For complete information about the General Electric protective slip system, contact your nearest G-E Apparatus Sales office, or write for GEA-5991, "Wheel-Slip Wheel-Slide System for Locomotives." General Electric Co., Schenectady 5, N. Y.

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*You can put your confidence in—*  
**GENERAL**  **ELECTRIC**

(Continued from page 23)  
service there March 17, 1920, in a clerical position in the accounting department. He served successively as secretary to general claim agent; assistant claim agent; claim agent; and district claim agent, and was appointed assistant general claim agent at Richmond August 1, 1948.

#### OPERATING

As reported in *Railway Age* August 10, **F. A. Gaffney** has been named general manager of the newly organized road transport department of the CANADIAN NATIONAL at Montreal. The new department will be responsible for administration of roadway transport lines, including schedules, maintenance, tariffs and extension of services for both bus and truck operations; it has



**F. A. Gaffney**

been formed in an effort to provide greater efficiency and economy of operation. Mr. Gaffney, who was born at Brockville, Ont., began his railway career there in 1920; became special assistant in the bureau of economics (now department of research and development) in 1938, and was appointed transport economist in 1945 and chief of transport research in 1950. In 1944, while on loan from the CNR to the Bermuda government, Mr. Gaffney surveyed all transportation facilities on those islands, and recommendations in his report have since been adopted there.

**N. M. Lorentzen**, trainmaster of the NORTHERN PACIFIC at Duluth, has been named assistant to general manager at St. Paul, succeeding **P. R. Gibson**, who has been promoted to principal assistant engineer at that point.

**W. L. Hancock**, superintendent car service of the KANSAS CITY SOUTHERN and the LOUISIANA & ARKANSAS, has been named car accountant of those companies at Kansas City, Mo.

As reported in *Railway Age* July 27, **O. W. Draper** has been appointed superintendent, Russell division, of the CHESAPEAKE & OHIO at Russell, Ky.

Mr. Draper, born at Scott, W.Va., October 24, 1898, entered C&O service July 3, 1915, as telegraph operator and agent, later serving as dispatcher, assistant dispatcher and yardmaster. From 1943 to 1946 he served as cap-



**O. W. Draper**

tain with the Army Transportation corps, returning to the C&O as yardmaster April 16, 1946, and becoming assistant trainmaster two months later. He was appointed terminal trainmaster October 1, 1947, and assistant superintendent, Huntington division, October 23, 1950.

**W. R. Horton** has been appointed general transportation inspector of the NEW YORK CENTRAL SYSTEM at New York. Mr. Horton has been assistant to general superintendent of the CLEVELAND, CINCINNATI, CHICAGO & ST. LOUIS at Indianapolis.

#### TRAFFIC

**Charles C. Gardner**, traveling freight and passenger agent of the NORTHERN PACIFIC at Buffalo, N.Y., has been named general agent at Toronto, Ont.



**HOWARD S. POWELL**, freight traffic manager of the Illinois Central at Chicago, who has been appointed general freight traffic manager there (*Railway Age*, August 3).

**Laurence J. Houlihan**, traffic representative of the TOLEDO, PEORIA & WESTERN at Chicago, has been appointed general agent at St. Louis.

**B. H. Ockey** has been named general agent of the CHICAGO & EASTERN ILLINOIS at Salt Lake City, succeeding **R. K. Wilhelmsen**, who has been transferred to Washington, D.C.

**Robert E. Smith**, division freight and passenger agent of the SOUTHERN at Rome, Ga., has been promoted to assistant general freight agent at Greenville, S.C. **Joseph B. Joiner**, division freight agent at Lynchburg, Va., has been transferred to Durham, N.C. **Gordon I. Russell**, district freight agent at Durham, has been named division freight and passenger agent at Rome. **Charles C. Elder**, district freight agent, has been promoted to division freight agent, with headquarters remaining at Lynchburg, succeeding Mr. Joiner. **Major E. Gowin**, commercial agent at Bristol, Va., succeeds Mr. Elder as district freight agent at Lynchburg.

**W. S. Hyman**, assistant general passenger agent of the SOUTHERN at Washington, D.C., has been appointed assistant passenger traffic manager at Jacksonville, Fla., succeeding **V. L. Estes**, who will retire September 1, after 50 years of service. **N. B. Bollinger** succeeds Mr. Hyman at Washington. Mr. Hyman entered Southern service as city ticket agent at Macon in 1915, and later served as chief clerk, city ticket agent, traveling passenger agent, district passenger agent, and division passenger agent. He was promoted to assistant general passenger agent at Washington in June 1945.

Mr. Estes has represented the Southern at Jacksonville for the past 29 years. He entered railroad service there in 1903, as stenographer and ticket clerk; after working at Charleston, S.C., and Atlanta, he returned to Jacksonville as division passenger agent in 1924, becoming assistant passenger traffic manager in 1947.

As *Railway Age* announced August 3, **A. W. Bonnycastle**, general freight and passenger agent of the MISSOURI-KANSAS-TEXAS, and **C. E. Veatch**, general freight agent—solicitation, have retired. Succeeding Mr. Bonnycastle is **R. G. Matthews**, commercial agent, while **F. W. Ahrens** replaces Mr. Veatch. **G. J. White**, general agent, becomes general freight and passenger agent.

Mr. Bonnycastle has been in Katy service since 1920 when he was appointed division freight and passenger agent. He was advanced to general freight and passenger agent in 1933.

Mr. Veatch began his railway career in 1903 as clerk with Katy. Subsequently, he was with the Santa Fe and other western roads, but returned to the Katy in 1927 as division clerk, since then serving successively as I.C.C. clerk, chief clerk, assistant general freight agent and general freight agent.

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Mr. Matthews entered Katy service in 1936 as secretary in the freight office at St. Louis. In 1941 he became chief clerk; in 1942, freight and passenger agent, and in 1944 commercial agent.

Mr. Ahrens joined the Katy in 1919, and, after serving in a number of clerical and secretarial positions, was appointed chief clerk to vice-president—traffic in 1932.

Mr. White has been with the Katy since 1933, when he was named traveling freight and passenger agent. In 1940 he was appointed soliciting freight agent; in 1942 division freight agent, and in 1946 general agent.

## MARINE

**Leland H. Kent**, superintendent of steamships of the CHESAPEAKE & OHIO at Ludington, Mich., has retired.

## ENGINEERING

As reported in *Railway Age* July 20, **Frank L. Etchison** has been appointed chief engineer of the WESTERN MARYLAND at Baltimore. Mr. Etchison was born at Baltimore February 27, 1902, and attended George Washington University. He entered railroad service in 1921 as part time worker in the maintenance of way department of the

Baltimore & Ohio and joined the Atlantic Coast Line in April 1924, serving as rodman, instrumentman and resident engineer. He was appointed roadmaster in November 1927, general roadmaster in May 1940, and engineer



Frank L. Etchison

## Selected Income and Balance-Sheet Items of Class I Steam Railways in the United States

Compiled from 126 reports (Form IBS) representing 130 steam railways

(Switching and Terminal Companies Not Included)

Income Items	United States			
	For the month of May 1953	1952	For the five months of 1953	1952
1. Net railway operating income	\$95,393,045	\$83,094,887	\$448,770,938	\$374,463,062
2. Other income	19,780,490	14,929,933	91,440,351	82,098,173
3. Total income	115,173,535	98,024,820	540,211,289	456,561,235
4. Miscellaneous deductions from income	4,213,933	3,888,471	20,572,780	20,861,645
5. Income available for fixed charges	110,959,602	94,136,349	519,638,509	435,699,590
6. Fixed charges:				
6-01. Rent for leased roads and equipment	6,333,930	6,510,726	31,137,101	32,797,437
6-02. Interest deductions <sup>1</sup>	27,175,250	26,444,370	135,620,092	131,736,782
6-03. Amortization of discount on funded debt	242,604	247,203	1,218,738	1,225,267
6-04. Total fixed charges	33,151,784	33,202,299	167,975,931	165,759,486
7. Income after fixed charges	77,207,818	60,934,050	351,662,578	269,940,104
8. Other Deductions	2,787,462	2,892,194	14,042,774	14,556,351
9. Net income	74,420,356	58,041,856	337,019,804	255,383,753
10. Depreciation (Way and structures and Equipment)	41,813,744	40,270,450	206,274,557	197,585,376
11. Federal income taxes	50,882,877	42,473,643	257,187,408	235,121,064
12. Dividend appropriations:				
12-01. On common stock	33,621,076	28,356,475	107,271,228	94,281,621
12-02. On preferred stock	6,285,255	8,361,350	39,047,650	38,410,117
Ratio of income to fixed charges (Item 5+6—04)	3.29	2.84	3.09	2.63

Selected Expenditure and Asset Items	United States	
	Balance at end of May 1953	1952
17. Expenditures (gross) for additions and betterments—Road	\$146,130,816	\$144,790,848
18. Expenditures (gross) for additions and betterments—Equipment	393,725,280	461,710,319
19. Investments in stocks, bonds, etc., other than those of affiliated com- panies (Total, Account 707)	463,557,544	477,786,152
20. Other unadjusted debits	106,294,394	84,546,666
21. Cash	926,596,164	835,044,019
22. Temporary cash investments	987,960,956	858,999,100
23. Special deposits	87,646,554	69,649,468
24. Loans and bills receivable	1,320,838	1,293,899
25. Traffic and car-service balances—Dr.	66,037,714	54,558,243
26. Net balance receivable from agents and conductors	170,096,528	168,658,690
27. Miscellaneous accounts receivable	371,458,555	469,529,462
28. Materials and supplies	836,821,915	920,847,983
29. Interest and dividends receivable	20,874,801	19,333,377
30. Accrued accounts receivable	217,706,934	226,939,563
31. Other current assets	39,362,765	35,203,354
32. Total current assets (items 21 to 31)	3,725,883,724	3,660,057,158
Selected Liability Items		
40. Funded debt maturing within 6 months <sup>2</sup>	\$159,487,416	\$176,921,649
41. Loans and bills payable <sup>3</sup>	2,809,675	3,168,860
42. Traffic and car-service balances—Cr.	101,204,605	96,215,572
43. Audited accounts and wages payable	537,717,759	531,383,485
44. Miscellaneous accounts payable	205,433,536	196,075,439
45. Interest matured unpaid	28,306,617	32,709,600
46. Dividends matured unpaid	10,715,860	9,285,711
47. Unmatured interest accrued	81,537,675	77,463,164
48. Unmatured dividends declared	55,593,107	57,587,022
49. Accrued accounts payable	225,573,211	303,122,580
50. Taxes accrued	933,091,160	916,713,691
51. Other current liabilities	97,107,465	85,773,514
52. Total current liabilities (items 41 to 51)	2,279,090,670	2,309,499,138
53. Analysis of taxes accrued:		
53-01. U. S. Government taxes	755,405,232	740,624,299
53-02. Other than U. S. Government taxes	177,685,928	176,089,392
54. Other unadjusted credits	285,817,870	272,526,668

<sup>1</sup> Represents accruals, including the amount in default.  
<sup>2</sup> Includes payments of principal of long-term debt (other than long-term debt in default) which becomes due within six months after close of month of report.  
<sup>3</sup> Includes obligations which mature not more than one year after date of issue.

Compiled by the Bureau of Transport Economics and Statistics, Interstate Commerce Commission.

Subject to revision.

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maintenance of way, Northern division, in January 1944, holding the latter position until July 1, when he left the ACL to join the WM as chief engineer.

**SIGNALING & COMMUNICATIONS**  
**J. B. Wainwright** has been appointed supervisor of signals of the ATLANTIC COAST LINE at Sanford, Fla., succeeding **J. H. Lackey**, deceased.

**S. J. Wirz**, assistant to superintendent of communications of the DENVER & RIO GRANDE WESTERN, will retire September 1.

## SPECIAL

**G. C. Churcher** has been appointed general apprentice instructor of the NEW YORK CENTRAL at New York.

**G. Raymond Jackson**, assistant manager of advertising and traffic research of the PULLMAN COMPANY, at Chicago, has been named advertising agent there.

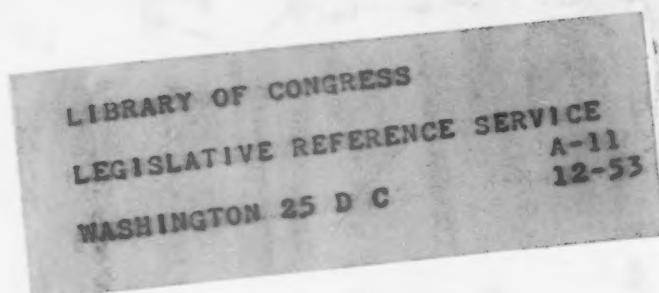
## OBITUARY

**Floyd R. Mays**, 74, who retired in January 1945 as vice-president of the ILLINOIS CENTRAL at Chicago, died August 18 following a long illness.

**E. K. Mentzer**, 68, who retired last year as assistant to general manager of the BOSTON & ALBANY at Boston, Mass., died August 15, at New London, N.H.

**Carl A. Olson**, 58, assistant superintendent communications of the PITTSBURGH & LAKE ERIE, at Pittsburgh, died August 14 at his home in that city.

A SPECIAL MESSAGE FOR



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... FROM THE TIMKEN ROLLER BEARING COMPANY

*This month Dr. Oscar Horger demonstrates how Timken bearings carry combination loads without auxiliary thrust devices.*

## The taper makes TIMKEN® the only journal bearing that delivers what you expect when you buy a roller bearing

RAILROADS invest in roller bearings for two reasons: to eliminate hot boxes and cut costs. The one bearing you can count on to do this is the Timken® tapered roller bearing. And here's why:

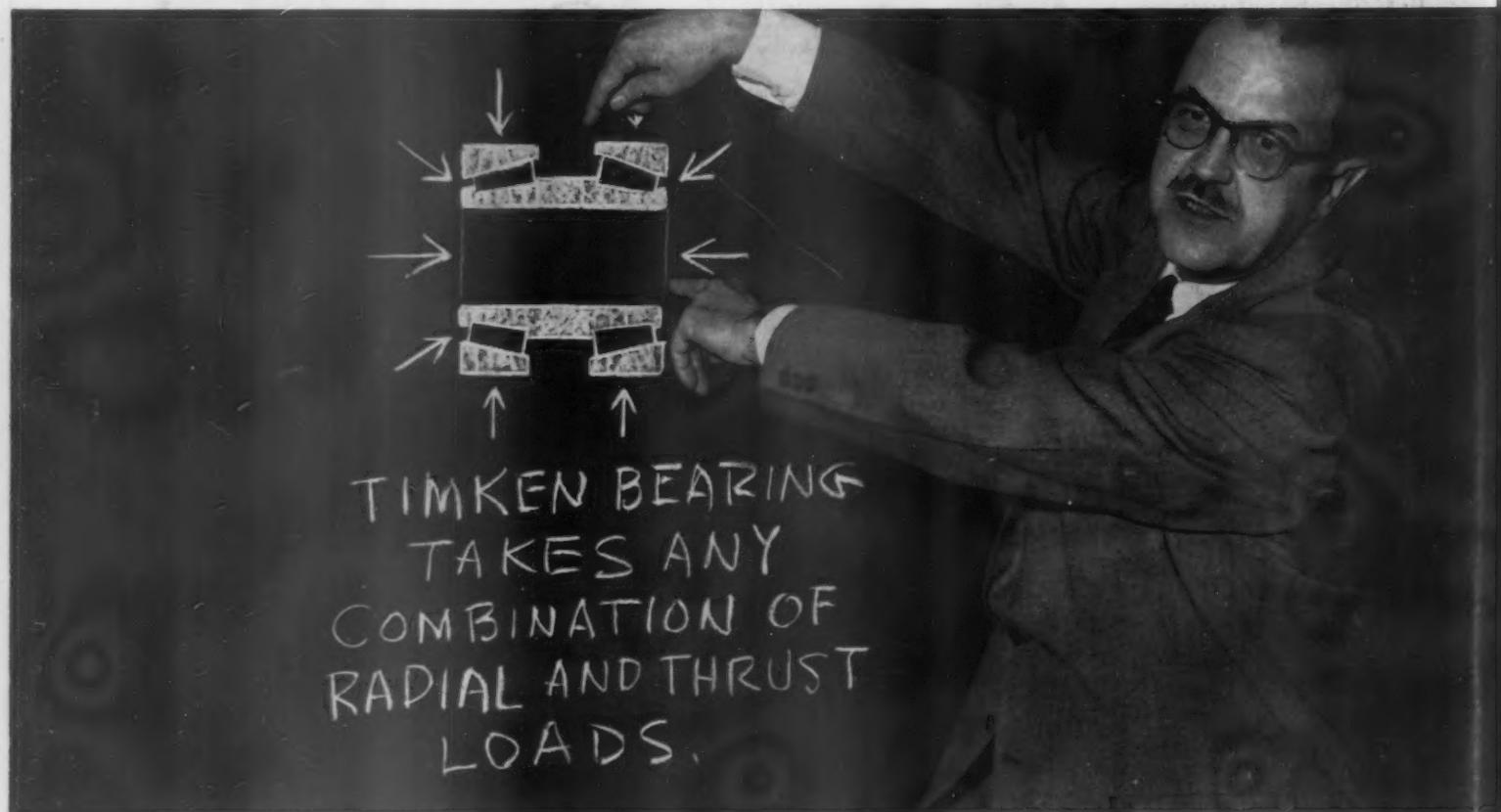
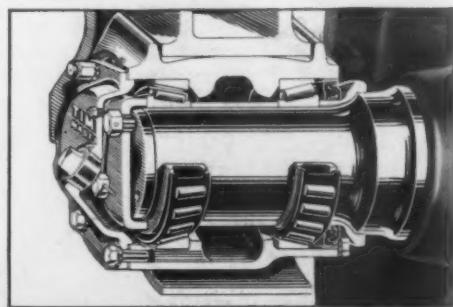
1) *No lateral movement within the bearing.* In straight roller bearings auxiliary thrust devices are needed to take thrust loads. These thrust devices are not completely effective and are difficult to lubricate with grease. And free lateral movement can cause scuffing of rollers and races. It also pumps lubricant through the seal and out of the journal box, draws dirt and water in. In Timken bearings the taper prevents

free lateral movement, enables them to take the thrust. They always *roll* the load, never slide it. There's no scuffing, no pumping action. This helps end the hot box problem, means less maintenance, less lubricant and longer bearing life.

2) *Positive roller alignment.* The taper holds ends of rollers snug against the rib, where wide area contact keeps rollers properly aligned. Rollers can't skew to upset the full line contact and shorten the life of the bearing.

When you buy Timken roller bearings to end hot boxes and cut costs, you can count on them to do it. It's the taper! The Timken

Roller Bearing Company, Canton 6, Ohio. Cable address: "TIMROSCO".



THE TAPER MAKES

**TIMKEN**

THE BEARING YOU TRUST

TRADE MARK REG. U. S. PAT. OFF.

NOT JUST A BALL ○ NOT JUST A ROLLER ○ THE TIMKEN TAPERED ROLLER ○ BEARING TAKES RADIAL ○ AND THRUST → ○ LOADS OR ANY COMBINATION



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